To: Eugenie Sage, Minister of Conservation

Cc: John Leggett, Marlborough Mayor

Mark Wheeler, CEO Marlborough District Council

Gina Ferguson, MDC Consents and Compliance Group Manager

September 11, 2019

Tēna koe Minister Sage

Request for call in as a matter of national significance: NZ King Salmon application for a coastal permit to establish a new salmon farm north of Cape Lambert (U190438).

- 1. We represent several Marlborough environmental and community groups and have received notice of the above application for a 1792ha salmon farm north of Cape Lambert, ahead of public notification.
- 2. The applicant seeks a site of 1792ha on the southern edge of Cook Strait, 6km north of Cape Lambert. The initial proposed feed discharge of 20,000 tonnes per annum will be increased by stages to 40,000 tonnes, and finally 80,000 tonnes. In comparison, between 2010 and 2018 total feed across all NZKS farms in the Marlborough Sounds ranged from 14,000-20,000 tonnes per annum.
- 3. This is NZKS's first venture into offshore farming but unlikely to be its last. The company has previously signalled its interest to significantly expand operations into open ocean coastal space with monitoring applications for another 12 sites along the east coast of the South Island and Stewart Island.
- 4. Due to the size, environmental and landscape effects and pioneering nature of the Cape Lambert application, we ask that you as Minister call it in as a matter of national significance under Section 142 of the Resource Management Act.
- 5. There is a precedent for this, in 2011 Conservation Minister Kate Wilkinson called in an application by NZKS for nine farms throughout the Marlborough Sounds, occupying 206 hectares and discharging 40,000 tonnes of fish feed per annum. "This is a large expansion and meets the national significance criteria as it would involve considerable use of natural resources and impact an area of national significance and its environment," she said.
- 6. The Cape Lambert proposal is significantly larger, occupying more than eight times the coastal area, and potentially discharging twice the amount of fish feed.

7. We submit that this application deserves the scrutiny of a Board of Inquiry or Environment Court, rather than a local council process, and meets the following criteria under Section 142 of the RMA:

3a (i) has aroused widespread public concern or interest regarding its actual or likely effect on the environment

There has been media coverage and widespread interest in the Cape Lambert proposal even though it has not yet been publicly notified. Interest will increase once notified, judging by responses to previous NZKS applications to establish salmon farms:

- "Aquaculture development has historically raised public interest and concern in this area [Marlborough Sounds]," stated Conservation Minister Kate Wilkinson, in her November 2011 call-in decision. That Board of Inquiry process attracted 1272 public submissions.
- The 2017 Relocation process to secure six new farm sites for NZKS in the Sounds attracted 588 submissions and the level of public concern was specifically commented on by the hearing panel in its final report: "Some of this anger and frustration [from public submitters] was probably associated with the fact that salmon farming in the Marlborough Sounds has had a long and litigious history. Nevertheless, the members of this Panel have collectively a long history of hearing environmental cases and we are agreed that none of us has ever experienced the level of vitriol that was palpable in the hearing room as these presentations continued." ¹

Concern about the Cape Lambert application has also been expressed by the Environmental Defence Society: "Recent resource consent applications lodged by New Zealand King Salmon for open ocean areas have highlighted the lack of planning around much of our coasts. It is undesirable for major new initiatives to be proceeding in the absence of clear national direction."²

3a (ii) involves or is likely to involve significant use of natural and physical resources:

The proposal will involve the significant use of physical and natural resources, namely the coastal marine area including the water column and seabed.

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¹ Report and Recommendations of the Marlborough Salmon Farm Relocation Advisory Panel, July 2017

² Media release, Environmental Defence Society, 4 Sept 2019

Minister Wilkinson's call-in decision in 2011 still applies: "The associated waste produced from the salmon (faecal matter)... will create a significant nutrient discharge and will be a significant use of the receiving environment and seabed."

3a (iii) affects or is likely to affect a structure, feature, place or area of national significance

The proposed site is off Cape Lambert, an area of outstanding natural character that reaches into the sea where the outer Sounds transition to Cook Strait. It is an area highly regarded for its landscape values. The Landscape report in the NZKS application states "... the entirety of Marlborough Sounds warrants recognition as an Outstanding Natural Landscape (ONL) at the national scale as well as a high amenity coastal landscape."³

It lists the values of the proposed site as:

- Nationally significant seascape (Cook Strait)
- Expansive views of the open sea broken up by the outer peninsulas, rocky outcrops, steep exposed seacliffs and islands
- Very High levels of perceived naturalness due to limited modification

The proposed Marlborough Environment Plan assesses the site as being a combination of high amenity landscape, outstanding natural landscape, high natural character, and outstanding natural character.⁴

3a (v) results or is likely to result in or contribute to significant or irreversible changes to the environment

The proposal is likely to result in or contribute to significant changes to the environment. It involves the occupation of a large area of the coastal marine area with salmon farming structures for up to 35 years, the discharge of up to 80,000 tonnes of fish feed per year, and the resultant discharge of faecal matter from the salmon into the water column and seabed. The impact of nitrogen from this level of feed on the coastal environment is equivalent to waste from 600,000 people. ⁵

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³ Page 28, Landscape Report, Hudson Associates, NZKS application

⁴ Map, Page 74, of Landscape Report, Hudson Associates, NZKS application

⁵ Calculation based on Board of Inquiry final decision, 2013, par 379

The applicant's Benthic Report records diverse communities that have mostly disappeared from the inner Sounds and tend to have a wider range of ecological functions. Such communities will take longer to recover from salmon farm practices than those where diversity is low and the communities are simple. Consequently, impacts will be more significant in areas like the site applied for, with inherently high diversity. The presumption that locating farms in more exposed locations to reduce the environmental impact of organic enrichment by spreading the effects, may in fact be unfounded. The overall area affected by organic deposition will be greater compared with more sheltered sites because the current flow and tidal influences increase the field of dispersal.

As the applicant's AEE report says: "The spatial extent of organic material dispersion is likely to be in the order of kilometres from the modelled footprint boundary, from transport of farm-derived organic material through sediment re-suspension processes."

There are a number of recognised ecologically significant marine sites surrounding the proposed farm that may be significantly changed by receiving the organic waste dispersed by current and tide. The closest is McManaway Rocks (1.3km east of the farm), which host a technicolour range of coralline algae, numerous sponges, plumose hydroids, jewel anemones, zooanthids, ascidians, brachiopods and bryozoans. "These [rock] stacks support a distinct assemblage of species, usually in high numbers. The exposure of the site limits fishing and netting, which has resulted in a unique assemblege of fish and vertebrates." ⁷

3a (vi) involves or is likely to involve technology, processes or methods that are new to New Zealand and that may affect its environment

Cape Lambert would be the first open ocean salmon farm in New Zealand and would be at the cutting edge of salmon farm engineering for open-ocean conditions. Even in countries such as Norway, which is regarded as a world leader in marine-farming, open-ocean technology is still in development.

The impact of the farm structures, barges and servicing vessels on the environment and natural character can not yet be assessed as the applicant is

⁷ Page 76, Ecologically Significant Marine Sites in Marlborough, Marlborough District Council and DOC, Sept 2011

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Page 15, Assessment of Environmental Effects, Summary of Effects on the Seabed, NZKS application

not able to provide a detailed design, final layout, or number of structures that will be located on the site. "The company seeks this flexibility to choose from the latest technology that is most suitable for the proposed location."

The choices made will also inform the company's decisions for future expansion into other regions.

3a (vii) is or is likely to be significant in terms of Section 8

The proposal is likely to be significant in terms of section 8 of the RMA, relating to the principles of the Treaty of Waitangi. Eight iwi of Te Tau Ihu (top of the South) have traditional, historical, cultural and spiritual associations with the Outer Sounds and Cook Strait/Raukawa.

3a (ix) affects or is likely to affect more than one region or district

The proposed farm site is located within the jurisdiction of the Marlborough District Council and immediate environmental effects are likely to be constrained to this region. However NZKS is also looking at open ocean sites in coastal areas off Canterbury, Otago, Southland and Stewart Island. The establishment and performance of the Cape Lambert farm, as the pioneering site, is likely to have an effect on future expansion into other regions. The proposal also has potential flow-on economic effects to other regions where NZKS operates its hatcheries and factories.

- 8. While our groups support moving salmon farms out of the confines of the Marlborough Sounds, it can't be carte blanche. We seek a managed and consistent strategy. This is seriously lacking, with the applicant currently also pursuing:
 - a coastal permit for monitoring a 3000ha salmon farm off Cape Campbell (U190527)
 - consent to significantly increase the pen space at its current Waitata farm (U190357)
 - a decision on the 2017 farm relocation proposal which we understand now includes plans for a new, large mid-bay farm in Waitata Reach
 - 9. On top of this we are operating in a policy vacuum:
 - Decisions on coastal and landscape matters in Council's Marlborough
 Environment Plan (MEP), including coastal occupancy charges, have yet to be announced.

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⁸ Page 1, NZKS Navigational Risk Assessment report

- The MEP Aquaculture chapter has yet to be publicly notified and it is our understanding that the proposed policy focuses on bivalve marine farming and does not address fin-fish farming.
- A National Environmental Standard for Marine Aquaculture has yet to be released.
- 10. This policy vacuum makes it even more imperative that a precedent-setting application of this size is held up to the more rigorous scrutiny afforded by a Board of Inquiry or Environment Court, rather than a local council process.
- 11. In summary, taking into account all the factors above, we ask that you call in the NZKS Cape Lambert farm proposal as a matter of national significance.
- 12. And finally, while not part of your consideration under Section 142, we also point out the financial pressure put on volunteer environmental groups to test the application and advocate for the public interest. There is no financial assistance under the Council process. If the matter was called in we would be able to apply to the Environmental Legal Assistance (ELA) fund to prepare a case, gather evidence and have legal representation.

Ngā mihi

Rob Schuckard, Friends of Nelson Haven Andrew Caddie, Kenepuru and Central Sounds Residents Association Bev Doole, Marlborough Environment Centre Clare Pinder, Guardians of the Sounds

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